

## **CY 2015 HOUSING CHOICE VOUCHER FUNDING IMPLEMENTATION FOLLOW-UP QUESTIONS FROM FEBRUARY 24, 2015 BROADCAST**

- 1. Q: You stated that, for those PHAs whose calculated CY 2015 administrative fees were less than the 2014 fees, the PHA would be held harmless at the CY 2014 rates. Does this mean my PHA will be paid in 2015 the same amount we were paid in 2014?**

A: No. If the Column A and Column B calculated rates for CY 2015 are less than the Column A and Column B calculated rates for CY 2014, the latter as posted on the Housing Choice Voucher Program (HCVP) web page, HUD has NOT reduced the rates to the new, lower level for CY 2015. Rather, the rates for CY 2014 have been carried forward and are used again for CY 2015. The CY 2015 fee rates posted to the HCVP web page reflect this; if your PHA's rates would have been reduced, you will see the CY 2014 rates repeated. Actual fee eligibility for CY 2015 will be based on these posted fee rates and actual CY 2015 leasing, as reported in the Voucher Management System (VMS).

- 2. Q: If a PHA submits a request for CY 2015 HAP Set-Aside funds, when will the PHA be advised of the approval or disapproval of the request and when will the funds be disbursed?**

A: The timeframe for processing the requests will partially depend on the number of requests received. Additionally, calculations for the Maintain Leasing category cannot be prepared and the potentially eligible PHAs identified until the February VMS data is submitted and validated. With these caveats in mind, HUD anticipates being able to complete the review of requests and the determination of eligibility, need and funding within 60 days after the April 15, 2015 application deadline. Set-aside funds will be disbursed as part of the normal cash management process; these funds become part of the amounts available to disburse to a PHA, based on its actual HAP needs. They will not be separately disbursed.

- 3. Q: Is there a limitation on the UNP (Unrestricted Net Position) funds, formerly called UNA and administrative fee reserves, that a PHA may have and still be eligible to receive a higher administrative fee rate?**

A: Yes. If the PHA's UNP balance at the end of CY 2014 exceeds 20 percent of the PHA's budgeted HCVP administrative expenses for CY 2015, the PHA is not eligible for a higher administrative fee rate. If the PHA is eligible under this criterion, the PHA must still, of course, satisfy all other requirements for a higher fee rate, as set forward in the 2015 HCVP Implementation Notice.

- 4. Q: When will HUD issue decisions on PHA requests for CY 2013 HAP Set-Aside funds?**

A: HUD's responses to CY 2013 Set-Aside requests, other than for Shortfall Funding that year, have been unexpectedly delayed. This was due to the need to reconcile the shortfall funding awarded, in order to award additional funds where needed and recoup excess funds awarded, all to determine how much of the original set-aside was available to support other categories of requests. The reconciliation process is largely completed, and HUD anticipates recouping the excess funds and making the available awards to other categories by this summer. PHAs are advised that the funds that will be available may be insufficient to fully fund all eligible requests.

**5. Q: How did HUD determine to pay additional administrative fees (AF) for port-ins only if port-ins exceeded 20 percent of the receiving PHA's vouchers leased?**

A: The additional administrative fees for port-ins are not mandated by the Appropriations, but are permitted under the Secretary's discretion to provide additional funds as needed for PHAs to administer their programs. HUD and PHAs recognize that portability actions are not discretionary, but rather must be carried out for eligible HCV participants, with or without additional compensation. HUD has assessed that the need to administer portable vouchers in numbers that exceed 20% of a PHA's leased vouchers may create administrative costs beyond what a PHA would anticipate in its administrative budget and that the administrative fees that HUD may set aside for this and other purposes will support compensation at this level.

**6. Q: What is the formula for determining the funding eligibility for Vouchers on the street, under the Maintain Leasing category of the HAP Set-Aside?**

A: As this is a new category for 2015, this formula has not been finalized, but it is expected to compare vouchers on the street at the end of December, 2014, to increased leasing as of a later date, to identify the vouchers issued in CY 2014 that have resulted in leasing by the point in time the vouchers would have otherwise expired. The actual formula will be detailed for PHAs in the calculation of awards.

**7. Q: Is there any possibility that the Administrative Fee pro-ration of 74% will be increased for 2015?**

A: A 74% proration level is HUD's estimate at this time. That level will change if nationwide leasing increases or decreases across the year and/or if HUD is able to identify residual funds from other purposes that are eligible to be re-programmed as administrative fees, as has sometimes been possible in past years. The appropriated amount of \$1,530,000,000 will not change, however. HUD does not presently anticipate that the proration level will change significantly.

**8. Q: How can a receiving PHA pay its port-in HAPs on time if funds are not promptly provided by the initial PHA?**

A: HUD recognizes that port-in HAP costs are not part of the HAP expenses of the receiving PHA, but the housing assistance payments must be made promptly to the property owner, even if the initial PHA has not remitted the funds on time. If a receiving PHA does not have sufficient funds on hand to support the port-in HAPs, HUD will provide a frontload of budget authority or release HUD-held funds for this purpose. The receiving PHAs are reminded that the port-in HAP costs are NOT to be reported as the PHA's costs in the Voucher Management System. Initial PHAs are reminded that they are responsible for issuing portability HAP payments to the receiving PHAs on a timely basis.

**9. Q: Does a PHA hold harmless at the CY 2014 rate the administrative fees it pays for portable units in 2015?**

A: The hold harmless provision applies only to the posted administrative fee rates. If the Column A and Column B rates that HUD calculated for a PHA for 2015 are less than the posted rates for that PHA for 2014, HUD has held the PHA harmless at the 2014 posted rates. These same rates are posted again for 2015. A PHA should calculate the fees for portable vouchers in 2015 as follows: CY 2015 Column B rate x 80% x 74% proration.